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**EXECUTIVE SUMMARY - ENFORCEMENT MATTER**  
**DOCKET NO.:** 2010-1810-AIR-E **TCEQ ID:** RN100216373 **CASE NO.:** 40676  
**RESPONDENT NAME:** Arkema Inc.

<b>ORDER TYPE:</b>		
<input type="checkbox"/> <b>1660 AGREED ORDER</b>	<input checked="" type="checkbox"/> <b>FINDINGS AGREED ORDER</b>	<input type="checkbox"/> <b>FINDINGS ORDER FOLLOWING SOAH HEARING</b>
<input type="checkbox"/> <b>FINDINGS DEFAULT ORDER</b>	<input type="checkbox"/> <b>SHUTDOWN ORDER</b>	<input type="checkbox"/> <b>IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER</b>
<input type="checkbox"/> <b>AMENDED ORDER</b>	<input type="checkbox"/> <b>EMERGENCY ORDER</b>	
<b>CASE TYPE:</b>		
<input checked="" type="checkbox"/> <b>AIR</b>	<input type="checkbox"/> <b>MULTI-MEDIA (check all that apply)</b>	<input type="checkbox"/> <b>INDUSTRIAL AND HAZARDOUS WASTE</b>
<input type="checkbox"/> <b>PUBLIC WATER SUPPLY</b>	<input type="checkbox"/> <b>PETROLEUM STORAGE TANKS</b>	<input type="checkbox"/> <b>OCCUPATIONAL CERTIFICATION</b>
<input type="checkbox"/> <b>WATER QUALITY</b>	<input type="checkbox"/> <b>SEWAGE SLUDGE</b>	<input type="checkbox"/> <b>UNDERGROUND INJECTION CONTROL</b>
<input type="checkbox"/> <b>MUNICIPAL SOLID WASTE</b>	<input type="checkbox"/> <b>RADIOACTIVE WASTE</b>	<input type="checkbox"/> <b>DRY CLEANER REGISTRATION</b>
<p><b>SITE WHERE VIOLATION(S) OCCURRED:</b> Arkema Beaumont Plant, 2810 Gulf States Road, Beaumont, Jefferson County</p> <p><b>TYPE OF OPERATION:</b> Industrial organic chemicals plant</p> <p><b>SMALL BUSINESS:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>OTHER SIGNIFICANT MATTERS:</b> There are no complaints. There is one additional pending enforcement action regarding this facility location, Docket No. 2010-1235-AIR-E.</p> <p><b>INTERESTED PARTIES:</b> No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p><b>COMMENTS RECEIVED:</b> The <i>Texas Register</i> comment period expired on March 21, 2011. No comments were received.</p> <p><b>CONTACTS AND MAILING LIST:</b>  <b>TCEQ Attorney/SEP Coordinator:</b> None  <b>TCEQ Enforcement Coordinator:</b> Ms. Audra Benoit, Enforcement Division, Enforcement Team 5, MC R-10, (409) 899-8799; Ms. Laurie Eaves, Enforcement Division, MC 219, (512) 239-4495  <b>Respondent:</b> Mr. Wendal R. Turley, Plant Manager, Arkema Inc., 2810 Gulf States Road, Beaumont, Texas 77701  <b>Respondent's Attorney:</b> Not represented by counsel on this enforcement matter</p>		

**VIOLATION SUMMARY CHART:**

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p><b>Type of Investigation:</b>  <input type="checkbox"/> Complaint  <input checked="" type="checkbox"/> Routine  <input type="checkbox"/> Enforcement Follow-up  <input type="checkbox"/> Records Review</p> <p><b>Date(s) of Complaints Relating to this Case:</b> None</p> <p><b>Date of Investigation Relating to this Case:</b> September 14, 2010</p> <p><b>Date of NOV/NOE Relating to this Case:</b> October 29, 2010 (NOE)</p> <p><b>Background Facts:</b> This was a routine investigation.</p> <p><b>AIR</b></p> <p>Failed to prevent unauthorized emissions. Specifically, Incident No. 142977 occurred on July 31, 2010, when operations personnel attempted to startup the hydrogen sulfide ("H<sub>2</sub>S") unit, and the pressure rapidly increased in the system due to a valve that was inadvertently left in the closed position. Upon discovery, the valve was opened to relieve the excess pressure; however, the valve was opened too quickly, creating a disproportionate flow releasing 225.98 pounds ("lbs") of unauthorized H<sub>2</sub>S, and 25,662.42 lbs of unauthorized sulfur dioxide into the atmosphere for one hour and ten minutes. Since the emissions event could have been avoided by better operational and/or maintenance practices, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met [30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), TEX. HEALTH &amp; SAFETY CODE § 382.085(b), Federal Operating Permit No. 01636, General Terms and Conditions and Special Terms and Conditions No. 11, and Air Permit Nos. 865A and PSDTX1016M1, Special Conditions No. 2].</p>	<p><b>Total Assessed:</b> \$10,000</p> <p><b>Total Deferred:</b> \$0  <input type="checkbox"/> Expedited Settlement  <input type="checkbox"/> Financial Inability to Pay</p> <p><b>SEP Conditional Offset:</b> \$0</p> <p><b>Total Paid to General Revenue:</b> \$10,000</p> <p><b>Compliance History Classifications:</b>                      Person/CN - Average                      Site/RN - Average</p> <p><b>Major Source:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>Applicable Penalty Policy:</b> September 2002</p> <p><b>Findings Orders Justification:</b></p> <p>Human health or the environment has been exposed to pollutants which exceed levels that are protective.</p>	<p><b>Corrective Actions Taken:</b></p> <p>The Executive Director recognizes that on November 16, 2010, and in response to Incident No. 142977, the Respondent implemented procedural changes and personnel requirements for start-up events at the H<sub>2</sub>S Unit which define Plant expectations with respect to compliance with critical procedures and actions to be taken prior to start-up.</p>

Additional ID No(s): Air Account JE0074L



# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

<b>DATES</b>	<b>Assigned</b>	1-Nov-2010	<b>Screening</b>	4-Nov-2010	<b>EPA Due</b>	1-Aug-2011
	<b>PCW</b>	22-Nov-2010				

<b>RESPONDENT/FACILITY INFORMATION</b>	
<b>Respondent</b>	Arkema Inc.
<b>Reg. Ent. Ref. No.</b>	RN100216373
<b>Facility/Site Region</b>	10-Beaumont
<b>Major/Minor Source</b>	Major

<b>CASE INFORMATION</b>		<b>No. of Violations</b>	1
<b>Enf./Case ID No.</b>	40676	<b>Order Type</b>	Findings
<b>Docket No.</b>	2010-1810-AIR-E	<b>Government/Non-Profit</b>	No
<b>Media Program(s)</b>	Air	<b>Enf. Coordinator</b>	Audra Benoit
<b>Multi-Media</b>		<b>EC's Team</b>	Enforcement Team 5
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$10,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1** **\$10,000**

### ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

**Compliance History** **103.0%** Enhancement **Subtotals 2, 3, & 7** **\$10,300**

Notes: Enhancement for six same/similar NOV's, eight dissimilar NOV's, and three orders containing a denial of liability. Reduction due to one notice of intended audit and one disclosure of violation.

**Culpability** **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes: The Respondent does not meet the culpability criteria.

**Good Faith Effort to Comply Total Adjustments** **Subtotal 5** **\$1,000**

**Economic Benefit** **0.0%** Enhancement\* **Subtotal 6** **\$0**

Total EB Amounts \$15  
Approx. Cost of Compliance \$1,000  
\*Capped at the Total EB \$ Amount

**SUM OF SUBTOTALS 1-7** **Final Subtotal** **\$19,300**

**OTHER FACTORS AS JUSTICE MAY REQUIRE** **0.0%** **Adjustment** **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

**Final Penalty Amount** **\$19,300**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty** **\$10,000**

**DEFERRAL** **0.0%** Reduction **Adjustment** **\$0**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes:

No deferral is recommended for Findings Orders.

**PAYABLE PENALTY** **\$10,000**

**Screening Date** 4-Nov-2010

**Docket No.** 2010-1810-AIR-E

**PCW**

**Respondent** Arkema Inc.

Policy Revision 2 (September 2002)

**Case ID No.** 40676

PCW Revision October 30, 2008

**Reg. Ent. Reference No.** RN100216373

**Media [Statute]** Air

**Enf. Coordinator** Audra Benoit

### Compliance History Worksheet

>> **Compliance History Site Enhancement (Subtotal 2)**

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	6	30%
	Other written NOVs	8	16%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	3	60%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgements or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	1	-2%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

**Adjustment Percentage (Subtotal 2)** 103%

>> **Repeat Violator (Subtotal 3)**

No

**Adjustment Percentage (Subtotal 3)** 0%

>> **Compliance History Person Classification (Subtotal 7)**

Average Performer

**Adjustment Percentage (Subtotal 7)** 0%

>> **Compliance History Summary**

**Compliance History Notes**

Enhancement for six same/similar NOVs, eight dissimilar NOVs, and three orders containing a denial of liability. Reduction due to one notice of intended audit and one disclosure of violation.

**Total Adjustment Percentage (Subtotals 2, 3, & 7)** 103%

Screening Date 4-Nov-2010

Docket No. 2010-1810-AIR-E

PCW

Respondent Arkema Inc.

Policy Revision 2 (September 2002)

Case ID No. 40676

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100216373

Media [Statute] Air

Enf. Coordinator Audra Benoit

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), Tex. Health & Safety Code § 382.085(b), Federal Operating Permit No. 01636, General Terms and Conditions and Special Terms and Conditions No. 11, and Air Permit Nos. 865A and PSDTX1016M1, Special Conditions No. 2

Violation Description Failed to prevent unauthorized emissions. Specifically, Incident No. 142977 occurred on July 31, 2010, when operations personnel attempted to startup the hydrogen sulfide ("H2S") unit, and the pressure rapidly increased in the system due to a valve that was inadvertently left in the closed position. Upon discovery, the valve was opened to relieve the excess pressure; however, the valve was opened too quickly, creating a disproportionate flow releasing 225.98 pounds ("lbs") of unauthorized H2S, and 25,662.42 lbs of unauthorized sulfur dioxide into the atmosphere for one hour and ten minutes. Since the emissions event could have been avoided by better operational and/or maintenance practices, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Table with columns: Release (Actual, Potential), Harm (Major, Moderate, Minor), Percent (100%).

>>> Programmatic Matrix

Table with columns: Falsification, Major, Moderate, Minor, Percent (0%). Matrix Notes: Human health or the environment in the Beaumont/Port Arthur nonattainment area has been exposed to pollutants which exceed levels that are protective of human health or the environmental receptors as a result of the violation.

Adjustment \$0

\$10,000

Violation Events

Table for Violation Events with fields for Number of Violation Events (1), Number of violation days (1), and frequency (daily, weekly, monthly, quarterly, semiannual, annual, single event).

Violation Base Penalty \$10,000

One daily event is recommended.

Good Faith Efforts to Comply

Table for Good Faith Efforts to Comply with columns: Reduction (10.0%), Before NOV, NOV to EDPRP/Settlement Offer.

\$1,000

Table for Good Faith Efforts to Comply with rows: Extraordinary, Ordinary, N/A.

Notes: The Respondent completed corrective actions for this violation on November 16, 2010, after the October 29, 2010 NOE.

Violation Subtotal \$9,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$15

Violation Final Penalty Total \$19,300

This violation Final Assessed Penalty (adjusted for limits) \$10,000

## Economic Benefit Worksheet

**Respondent** Arkema Inc.  
**Case ID No.** 40676  
**Reg. Ent. Reference No.** RN100216373  
**Media** Air  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$1,000	31-Jul-2010	16-Nov-2010	0.30	\$15	n/a	\$15

**Notes for DELAYED costs**

Estimated costs to implement procedural changes and personnel requirements for start-up events at the H2S Unit which define Plant expectations with respect to compliance with critical procedures and actions to be taken prior to start-up. The date required is the date of the emissions event. The final date is the date corrective actions were achieved.

### Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

**Notes for AVOIDED costs**

Approx. Cost of Compliance

\$1,000

**TOTAL**

\$15

# Compliance History

Customer/Respondent/Owner-Operator: CN600124044 Arkema Inc. Classification: AVERAGE Rating: 2.47  
Regulated Entity: RN100216373 ARKEMA BEAUMONT PLANT Classification: AVERAGE Site Rating: 2.65

ID Number(s):			JE0074L
	AIR OPERATING PERMITS	ACCOUNT NUMBER	
	AIR OPERATING PERMITS	PERMIT	1636
	INDUSTRIAL AND HAZARDOUS WASTE	EPA ID	TXD074180019
	INDUSTRIAL AND HAZARDOUS WASTE	SOLID WASTE REGISTRATION # (SWR)	30663
	INDUSTRIAL AND HAZARDOUS WASTE	PERMIT	50222
	WASTEWATER	PERMIT	WQ0001872000
	WASTEWATER	EPA ID	TX0052825
	AIR NEW SOURCE PERMITS	REGISTRATION	93367
	AIR NEW SOURCE PERMITS	REGISTRATION	23999
	AIR NEW SOURCE PERMITS	REGISTRATION	28512
	AIR NEW SOURCE PERMITS	REGISTRATION	33720
	AIR NEW SOURCE PERMITS	REGISTRATION	34412
	AIR NEW SOURCE PERMITS	REGISTRATION	39717
	AIR NEW SOURCE PERMITS	REGISTRATION	43853
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	JE0074L
	AIR NEW SOURCE PERMITS	REGISTRATION	22740
	AIR NEW SOURCE PERMITS	PERMIT	865A
	AIR NEW SOURCE PERMITS	AFS NUM	4824500053
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX1016
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX1016M1
	IHW CORRECTIVE ACTION	SOLID WASTE REGISTRATION # (SWR)	50222
	IHW CORRECTIVE ACTION	SOLID WASTE REGISTRATION # (SWR)	30663
	IHW CORRECTIVE ACTION	PERMIT	50222
	AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	JE0074L

Location: 2810 GULF STATES RD, BEAUMONT, TX, 77704

TCEQ Region: REGION 10 - BEAUMONT

Date Compliance History Prepared: November 3, 2010

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: November 03, 2005 to November 03, 2010

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Audra Benoit Phone: (409) 899-8799

### Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership/operator of the site during the compliance period? No
3. If Yes, who is the current owner/operator? N/A
4. If Yes, who was/were the prior owner(s)/operator(s)? N/A
5. When did the change(s) in owner or operator occur? N/A
6. Rating Date: 9/1/2010 Repeat Violator: NO

### Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgments, and consent decrees of the State of Texas and the federal government.

Effective Date: 08/20/2006 ADMINORDER 2004-1702-AIR-E  
Classification: Minor  
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(2)(D)  
30 TAC Chapter 101, SubChapter F 101.201(b)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Description: Failure to properly notify the regional office of a reportable emissions event, which occurred on January 15-16, 2003 (TCEQ Incident No. 14327), August 1, 2003 and January 28, 2004.  
Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Rqmt Prov: 865A/PSD-TX-1016 PERMIT  
Description: Failure to maintain an emission rate below the allowable emission limit.

Effective Date: 11/18/2006 ADMINORDER 2006-0614-AIR-E  
Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)  
5C THC Chapter 382, SubChapter D 382.085(b)  
Rqmt Prov: 865A/PSD-TX-1016 PERMIT  
Description: Failure to comply with emissions limits of Sulfur Dioxide from the flare as specified by the MAERT in Permit 865A/PSD-TX-1016.

Effective Date: 08/29/2008 ADMINORDER 2008-0303-AIR-E  
Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov: 865A/PSD-TX-1016, Special Condition 2 PERMIT  
O-01636, Special Condition 13 OP  
Description: Exceeded the permitted hourly rate of 3,527.58 pounds per hour ("lbs/hr") for sulfur dioxide ("SO2").

- B. Any criminal convictions of the state of Texas and the federal government.

N/A

- C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1	08/09/2007	(267734)
2	05/03/2006	(458356)
3	05/25/2006	(461194)
4	05/24/2006	(461682)
5	08/31/2006	(462909)
6	05/17/2006	(465668)
7	07/21/2006	(481913)
8	09/11/2006	(509523)
9	09/22/2006	(511812)
10	11/09/2006	(512057)
11	11/03/2006	(512485)
12	11/03/2006	(513326)
13	01/17/2007	(534227)
14	02/06/2007	(535382)
15	02/22/2007	(538455)
16	04/20/2007	(542670)
17	05/31/2007	(556659)
18	06/20/2007	(558144)
19	05/06/2007	(558173)
20	07/12/2007	(559942)
21	06/14/2007	(560100)
22	06/14/2007	(560622)
23	09/21/2007	(570573)
24	10/05/2007	(571382)
25	11/30/2007	(574100)
26	02/21/2006	(581306)
27	02/15/2007	(581307)

28 03/17/2006 (581309)  
29 03/20/2007 (581310)  
30 04/14/2006 (581312)  
31 05/17/2006 (581314)  
32 05/15/2007 (581315)  
33 06/15/2006 (581317)  
34 11/01/2006 (581319)  
35 07/17/2007 (581320)  
36 08/16/2006 (581322)  
37 09/18/2006 (581325)  
38 10/12/2006 (581327)  
39 11/22/2005 (581328)  
40 11/29/2006 (581329)  
41 12/21/2005 (581330)  
42 12/14/2006 (581331)  
43 01/20/2006 (581332)  
44 01/19/2007 (581333)  
45 10/24/2007 (596018)  
46 08/20/2007 (608113)  
47 01/14/2008 (610773)  
48 02/24/2008 (611295)  
49 01/14/2008 (611785)  
50 02/06/2008 (612714)  
51 04/08/2008 (641062)  
52 05/19/2008 (654085)  
53 06/18/2008 (654250)  
54 02/14/2008 (673603)  
55 03/17/2008 (673604)  
56 04/23/2007 (673605)  
57 06/14/2007 (673606)

58 06/14/2007 (673607)  
59 09/18/2007 (673608)  
60 10/18/2007 (673609)  
61 11/14/2007 (673610)  
62 12/13/2007 (673611)  
63 01/22/2008 (673612)  
64 06/06/2008 (680155)  
65 06/19/2008 (681475)  
66 05/19/2008 (691873)  
67 07/14/2008 (691874)  
68 10/24/2008 (701629)  
69 10/31/2008 (701997)  
70 11/05/2008 (702719)  
71 12/04/2008 (708596)  
72 08/12/2008 (712871)  
  
73 08/12/2008 (712872)  
74 09/08/2008 (712873)  
75 10/15/2008 (712874)  
76 11/06/2008 (712875)  
77 01/12/2009 (729094)  
78 03/23/2009 (735778)  
79 03/25/2009 (737192)  
80 05/07/2009 (737564)  
81 07/13/2009 (744612)  
82 07/16/2009 (748508)  
83 02/05/2009 (752252)  
84 03/09/2009 (752253)  
85 04/14/2009 (752254)  
86 12/16/2008 (752255)  
87 08/31/2009 (761781)

88 10/02/2009 (764650)  
89 10/02/2009 (764674)  
90 10/02/2009 (764694)  
91 10/02/2009 (764746)  
92 10/02/2009 (764770)  
93 05/08/2009 (769932)  
94 06/08/2009 (769933)  
95 11/02/2009 (780268)  
96 02/02/2010 (788000)  
97 03/16/2010 (794279)  
98 06/11/2010 (794986)  
99 05/28/2010 (798116)  
100 02/15/2010 (809395)  
101 07/14/2009 (809396)  
102 08/10/2009 (809397)  
103 09/10/2009 (809398)  
104 10/12/2009 (809399)  
105 01/11/2010 (809400)  
106 12/08/2009 (809401)  
107 01/11/2010 (809402)  
108 06/29/2010 (824622)  
109 07/09/2010 (828999)  
110 07/12/2010 (829301)  
111 03/15/2010 (832559)  
112 04/09/2010 (832560)  
113 05/12/2010 (832561)  
114 08/13/2010 (841281)  
115 06/14/2010 (846794)  
116 07/13/2010 (861314)  
117 10/29/2010 (864012)  
118 10/12/2010 (865505)

119 08/17/2010 (867477)

120 09/13/2010 (874490)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date: 04/02/2006 (458356)CN600124044  
Self Report? NO Classification: Moderate  
Citation: PC 2g PERMIT  
Description: Failure by Arkema, Inc. to prevent unauthorized discharges into or adjacent to the waters of the state.

Date: 09/12/2006 (509523)  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)  
5C THC Chapter 382, SubChapter D 382.085(b)  
Permit 865A SC2 PERMIT  
Description: Failure to limit the PM emissions from the Sulfox Thermal Oxidizer (EPN: SULFOX-TO) during the stack test conducted on November 30 and December 1, 2005.

Date: 11/10/2006 (512057)  
Self Report? NO Classification: Minor  
Citation: 1636 OP  
30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.7(c)  
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to submit CEMS downtime reports in a timely manner.  
Self Report? NO Classification: Moderate  
Citation: 1636 OP  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter D 382.085(b)  
Permit 865A PERMIT

Description: Failure to maintain a CEMS downtime of less than 5% during the 12-month period of April 1, 2005, through March 31, 2006.

Self Report? NO Classification: Moderate  
Citation: 1636 OP  
30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.7(d)(2)  
5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failure to submit excess emission reports for the last 3 quarters of 2005 and the first quarter of 2006.

Date: 01/18/2007 (534227)  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter D 382.085(b)  
865A and PSD-TX-1016 PERMIT  
O-01636 OP

Description: Failure to limit carbon monoxide (CO) emissions from the thermal oxidizer (EPN: SULFOX-TO) to the authorized limit found in Permit 865A/PSD-TX-1016.

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 115, SubChapter B 115.114(a)(4)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter D 382.085(b)

865A and PSD-TX-1016 PERMIT  
O-01636 OP

Description: Failure to inspect secondary seal on external floating roof tank every 6 months.  
B1 Moderate 2E

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter D 382.085(b)  
865A and PSD-TX-1016 PERMIT  
OP O-01636 OP

Description: Failure to conduct second quarter H2S sampling event.  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter D 382.085(b)  
865A/PSD-TX-1016 PERMIT  
O-01636 OP

Description: Failure to provide acceptable annual fuel supplier certification of sulfur content  
for natural gas.  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
30 TAC Chapter 122, SubChapter B 122.146(2)  
5C THC Chapter 382, SubChapter D 382.085(b)  
O-01636 OP  
O-01636, General Terms and Conditions OP

Description: Failure to submit the Annual Permit Compliance Certification for OP O-01636  
within 30 days of the certification period.  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
30 TAC Chapter 122, SubChapter B 122.145(2)(C)  
5C THC Chapter 382, SubChapter D 382.085(b)  
OP O-01636 OP  
OP O-01636, General Terms and Conditions OP

Description: Failure to submit the Semiannual Deviation Report within for OP O-01636 within  
30 days of the certification period.  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter D 382.085(b)  
865A/PSD-TX-1016 PERMIT  
O-01636 OP

Description: Failure to limit the firing rate of the thermal oxidizer (EPN: SULFOX-TO) to the  
authorized limit found in Permit 865A/PSD-TX-1016.  
30 TAC Chapter 122.143 (4)  
5C THC Chapter 382.085(b)  
Permit 865A/PSD-TX-1016

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 106, SubChapter T 106.454(3)(B)(ii)  
30 TAC Chapter 115, SubChapter E 115.412(1)(A)  
30 TAC Chapter 116, SubChapter B 116.110(a)(4)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter D 382.085(b)  
O-01636 OP

Description: Failure to close the parts washer cover when parts were not being handled.

Date: 02/28/2007 (581310) CN600124044  
Self Report? YES Classification: Moderate  
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
TWC Chapter 26 26.121(a)

Description: Failure to meet the limit for one or more permit parameter

Date: 06/21/2007 (558144)

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter D 382.085(b)  
865A/PSD-TX-1016 Special Condition 2 PERMIT  
FOP O-01636 General Terms and Conditions OP  
FOP O-01636 Special Condition 13A OP

Description: Failure to limit the PM emissions from the Sulfox Thermal Oxidizer (EPN: SULFOX-TO) during the stack test conducted on August 16 through 17, 2006.  
EIC B(18) MOD 2(D)

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter D 382.085(b)  
865A/PSD-TX1016, Special Condition 19F PERMIT  
FOP O-01636 General Terms and Conditions OP  
FOP O-01636 Special Condition 13A OP

Description: Failure to submit copies of the final sampling report of the SULFOXTO for the test dates of August 16 and 17, 2007, to the TCEQ within 30 days after sampling was completed. EIC B(3) MOD2(B)

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
30 TAC Chapter 122, SubChapter B 122.145(2)(A)  
5C THC Chapter 382, SubChapter D 382.085(b)  
FOP O-01636 General Terms and Conditions OP

Description: Failure to report two deviations in the semi-annual deviation report for the period of April 26, 2006, through October 25, 2006. EIC B(3) MOD 2(B)

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
30 TAC Chapter 122, SubChapter B 122.146(1)  
30 TAC Chapter 122, SubChapter B 122.146(5)(D)  
5C THC Chapter 382, SubChapter D 382.085(b)  
FOP O-01636 General Terms and Conditions OP

Description: Failure to accurately certify an Annual Compliance Certification for the period of October 24, 2005, through October 25, 2006. EIC B(3) MOD 2(D)

Date: 07/13/2007 (559942)

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter A 382.085(b)  
865A/PSD-TX-1016 PERMIT  
O-01636 PERMIT

Description: Failure to limit Hydrogen Sulfide and Carbon Disulfide emissions from Tank 402 (EPN: T402) to the authorized limit found in Permit 865A/ PSD-TX-1016. On April 16, 2007, 483.00 pounds of Hydrogen Sulfide and 1,712.00 pounds of Carbon Disulfide were released from T-402.

Date: 02/20/2008 (611295) CN600124044

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
30 TAC Chapter 122, SubChapter B 122.145(2)(A)  
30 TAC Chapter 122, SubChapter B 122.145(2)(C)  
5C THSC Chapter 382 382.085(b)  
O-01636 OP

Description: Failure to report all instances of deviations.

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)  
865A/PSD-TX-1016 PERMIT  
O-01636 OP

Description: Failure to limit carbon monoxide (CO) emissions from the thermal oxidizer (EPN: SULFOX-TO) to the authorized limit found in Permit 865A/PSD-TX-1016.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
865A/PSD-TX-1016 PERMIT  
O-01636 OP

Description: Failure to maintain a production rate below the allowable limit.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
865A/PSD-TX1016 PERMIT  
O-01636 OP

Description: Failure to maintain the Oxygen (O2) concentration above 5 percent in SULFOX-TO as required by the permit.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.132(e)(4)(C)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)

Description: Failure to submit the third quarter 2007 SULFOX-TO progress report as required by the provisions of the Compliance Schedule.

Date: 10/31/2008 (712875) CN600124044

Self Report? YES Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)  
30 TAC Chapter 305, SubChapter F 305.125(1)

Description: Failure to meet the limit for one or more permit parameter

Date: 11/05/2008 (702719) CN600124044

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 305, SubChapter F 305.125(5)  
OpR 1 PERMIT

Description: Failure by Arkema, Inc. to properly maintain units of conveyance.

Self Report? NO Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121(c)  
PC 2g PERMIT

Description: Failure by Arkema, Inc. to prevent unauthorized discharge.

Date: 11/18/2008 (708596)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter D 382.085(b)  
865A/PSD-TX-1016 Special Condition 2 PERMIT  
FOP O-01636 General Terms and Conditions OP  
FOP O-01636 Special Condition 13A OP

Description: Failure to limit the PM emissions from the Sulfox Thermal Oxidizer (EPN: SULFOX-TO) during the stack test conducted on August 16 through 17, 2006.  
EIC B(18) MOD 2(D)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter D 382.085(b)  
865A/PSD-TX1016, Special Condition 19F PERMIT

FOP O-01636 General Terms and Conditions OP  
FOP O-01636 Special Condition 13A OP

Description: Failure to submit copies of the final sampling report of the SULFOXTO for the test dates of August 16 and 17, 2007, to the TCEQ within 30 days after sampling was completed. EIC B(3) MOD2(B)

Date: 07/13/2009 (744612) CN600124044

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
Special Condition 13 OP  
Special Condition 23 PERMIT

Description: Failure to maintain the oxygen level above 2% from the thermal oxidizer, Emission Point Number (EPN) SULFOX-TO. EIC B, 18.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
Special Condition 13 OP  
Special Condition 15E PERMIT

Description: Failure to seal several open-ended lines with a cap, plug, or blind flange. EIC C, 10.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter B 115.114(a)(4)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
General Terms and Conditions OP

Description: Failure to visually inspect external floating roof tanks once every six months. EIC B, 3.

Date: 02/02/2010 (788000) CN600124044

Self Report? NO Classification: Minor

Citation: MRR PERMIT

Description: Failure by Arkema, Inc. to include all monitoring results in the calculation and reporting of the values submitted on the approved self-report form.

Self Report? NO Classification: Minor

Citation: PC PERMIT

Description: Failure by Arkema, Inc. to properly complete the discharge monitoring report.

Date: 07/09/2010 (828999) CN600124044

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 115, SubChapter D 115.352(4)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)  
5C THSC Chapter 382 382.085(b)  
General Terms and Conditions OP  
Special Condition 13 OP  
Special Condition 15E PERMIT

Description: Failure to seal several open ended lines with a cap, plug, or blind flange.

EIC C10  
MIN A

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
General Terms and Conditions OP

Description: Failure to maintain records of the daily flare observations.

EIC B1  
MOD 2E  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
30 TAC Chapter 122, SubChapter B 122.144(1)(G)  
5C THSC Chapter 382 382.085(b)  
General Terms and Conditions OP  
Special Condition 10 PERMIT  
Special Condition 13 OP  
Description: Failure to continuously monitor the flare pilot flame.

EIC B3  
MOD 2B  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
30 TAC Chapter 122, SubChapter B 122.145(2)(A)  
5C THSC Chapter 382 382.085(b)  
General Terms and Conditions OP  
Description: Failure to report all instances of deviations.

B3  
MOD 2G  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
30 TAC Chapter 122, SubChapter B 122.146(1)  
30 TAC Chapter 122, SubChapter B 122.146(5)(C)(v)  
30 TAC Chapter 122, SubChapter B 122.146(5)(D)  
5C THSC Chapter 382 382.085(b)  
General Terms and Conditions OP  
Description: Failure to accurately certify an Annual Compliance Certification (ACC) for the period of October 25, 2008, through October 26, 2009.

EIC B3  
MOD 2G

F. Environmental audits.

Notice of Intent Date: 05/11/2009 (746989)  
Disclosure Date: 06/08/2009

Viol. Classification: Moderate  
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(1)(B)

Description: Failure to maintain quarterly visible observation records for the following: EPN SULFOX-INH, EPN X426A, EPN X426B, EPN H401, EPN H501, EPN H402, EPN H502, EPN H202, EPN H2202

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
ARKEMA INC.  
RN100216373**

**§           BEFORE THE  
§  
§           TEXAS COMMISSION ON  
§  
§           ENVIRONMENTAL QUALITY**

## **AGREED ORDER DOCKET NO. 2010-1810-AIR-E**

At its \_\_\_\_\_ agenda, the Texas Commission on Environmental Quality (“the Commission” or “TCEQ”) considered this agreement of the parties, resolving an enforcement action regarding Arkema Inc. (“the Respondent”) under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent presented this agreement to the Commission.

The Respondent understands that they have certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable. The duties and responsibilities imposed by this Agreed Order are binding upon the Respondent.

The Commission makes the following Findings of Fact and Conclusions of Law:

### **I. FINDINGS OF FACT**

1. The Respondent owns and operates an industrial organic chemicals plant at 2810 Gulf States Road in Beaumont, Jefferson County, Texas (the “Plant”).

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. During an investigation on September 14, 2010, TCEQ staff documented that the Respondent failed to prevent unauthorized emissions. Specifically, Incident No. 142977 occurred on July 31, 2010, when operations personnel attempted to startup the hydrogen sulfide ("H<sub>2</sub>S") unit, and the pressure rapidly increased in the system due to a valve that was inadvertently left in the closed position. Upon discovery, the valve was opened to relieve the excess pressure; however, the valve was opened too quickly, creating a disproportionate flow releasing 225.98 pounds ("lbs") of unauthorized H<sub>2</sub>S, and 25,662.42 lbs of unauthorized sulfur dioxide into the atmosphere for one hour and ten minutes.
4. The Respondent received notice of the violations on November 5, 2010.
5. The Executive Director recognizes that on November 16, 2010, and in response to Incident No. 142977, the Respondent implemented procedural changes and personnel requirements for start-up events at the H<sub>2</sub>S Unit which define Plant expectations with respect to compliance with critical procedures and actions to be taken prior to start-up.

## II. CONCLUSIONS OF LAW

1. The Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7 and the rules of the Commission.
2. As evidenced by Findings of Fact No. 3, the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit No. 01636, General Terms and Conditions and Special Terms and Conditions No. 11, and Air Permit Nos. 865A and PSDTX1016M1, Special Conditions No. 2. Since the emissions event could have been avoided by better operational and/or maintenance practices, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met.
3. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against the Respondent for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.
4. An administrative penalty in the amount of Ten Thousand Dollars (\$10,000) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. The Respondent has paid the Ten Thousand Dollar (\$10,000) administrative penalty.

### III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed an administrative penalty in the amount of Ten Thousand Dollars (\$10,000) as set forth in Section II, Paragraph 4 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Arkema Inc., Docket No. 2010-1810-AIR-E" to:

Financial Administration Division, Revenues Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088

2. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
3. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to the Respondent if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
4. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
5. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
6. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature

could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

7. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

## SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

*J. D. S. S. S.*  
For the Executive Director

2/17/2011  
Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of Arkema Inc. I am authorized to agree to the attached Agreed Order on behalf of Arkema Inc., and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, Arkema Inc. waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

*Wendal R. Turley*  
Signature

1-3-11  
Date

Wendal R. TURLEY  
Name (Printed or typed)  
Authorized Representative of  
Arkema Inc.

Plant Manager  
Title

**Instructions:** Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section III, Paragraph 1 of this Agreed Order.